



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
HIKINA WHAKATUTUKI



# A New Zealand Income Insurance Scheme



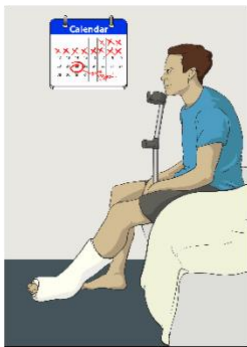
**Tell us what you think of the  
Income Insurance Scheme proposal**

**March 2022**

# What is this document about?



The **Ministry of Business, Innovation and Employment** want to ask you some questions about our proposal for a **New Zealand Income Insurance Scheme**.



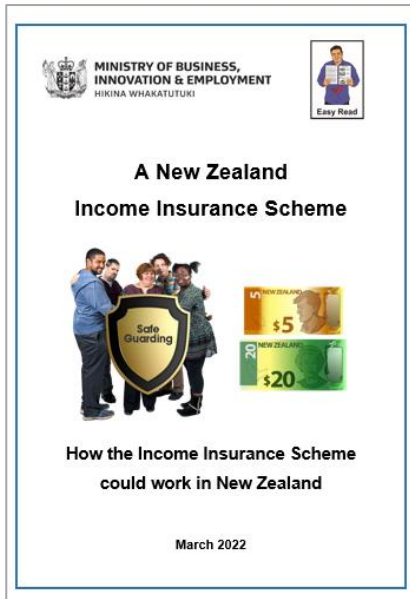
A **New Zealand Income Insurance Scheme** would give **some financial support** to people who cannot work anymore because of a health condition or disability.



**Financial support** is when the Government pays you money so you can pay for things like bills.



In this document we will call the New Zealand Income Insurance Scheme the **Scheme**.



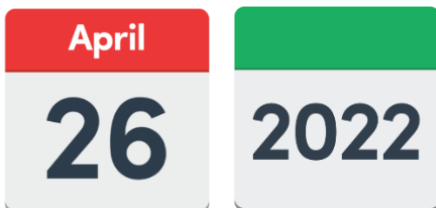
You can read about the Scheme in Easy Read in the document:

## **A New Zealand Income Insurance Scheme: How the Income Insurance Scheme could work in New Zealand**



You need to read that document before answering these questions.

Your answers to our questions need to be sent to us before **26 April 2022**.



If we do not get your answers before **26 April 2022** we **cannot** use your answers.

# Answering the questions



**Questions**

1. What do you think about it?

Good

Bad

Not sure

We will ask you some questions in the next few pages.



You can ask someone to support you in completing this form.



This can be someone you trust like a:

- family member
- friend
- support person.



# How to answer questions



In the document we will ask you some questions that you answer as:

- Yes

or

- No.



Please tick ✓ 1 answer for these questions

You can also write why you chose that answer if you want to.



There will be other questions that ask you to write down what you think of an idea.



**1. Should New Zealand start an Income Insurance Scheme for people losing their jobs because of:**

- **being made redundant?**
- **being laid off?**



Yes

No

**Why do you think this?**

Because there are insufficient sources of income for people who lose their jobs through no fault of their own, especially due to health conditions that are not covered under ACC – ie not the result of an accident, but rather the result of debilitating illness such as a post viral condition, cancer etc. Existing income insurance is extremely expensive and not affordable for most people. My personal experience during Covid in the first year

was of being made redundant. I started my own business as my only option for income, and because I had done this, I didn't qualify for any existing benefits or financial assistance. My husband was also unemployed at that time as he had been training to become a commercial pilot when covid hit. So we were in a position with high debt and virtually no income and I needed to start from scratch.



**2. Should New Zealand start an Income Insurance Scheme for people losing their jobs because of:**

- **health conditions?**
- **disability?**



Yes

No

## **Why do you think this?**

Because we are now seeing people suffering from Long Covid and other long term health conditions that may impact their ability to work or gain new jobs.

I also think we are long overdue to have a form of cover/income for people who are unable to work due to disability that is not accident related.





3. Do you think we should cover a lot of different ways of working like:



- part time work?
- full time work?

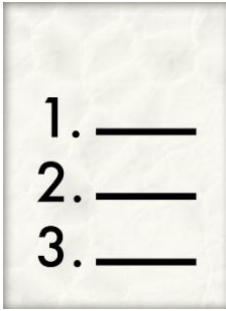


Yes

No

### Why do you think this?

Many people have precarious incomes and removing their ability to work altogether makes them even more vulnerable and precarious. Often a family may be putting together several part time jobs to try and cover their weekly expenses.



1. \_\_\_\_\_  
2. \_\_\_\_\_  
3. \_\_\_\_\_

4. **What do you think of the eligibility criteria for people to be part of the Scheme?**

**Eligibility criteria** is a list of things that need to be true for someone to be part of the scheme

**Write your answer here:**

I think the criteria are fine, although I would like the working group to also look at retrospective criteria – or to make recommendations regarding people with illnesses who have not received this kind of cover. What can be done to look after them, given that they don't qualify for ACC and their support from WINZ is very inadequate, being lumped under the Jobseekers benefit category.



5. What do you think about the government paying most of what someone would normally earn for up to 6 months through the Scheme?

**Write your answer here:**

I agree with this, however in some cases it should be for a longer period -why has 6 months been chosen?

Would a similar wage subsidy also be available for employers who don't want to make their staff redundant? What incentives will there be to keep jobs if possible, as per the covid wage subsidy schemes.

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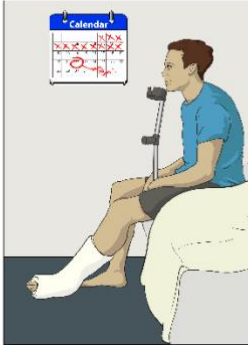
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**7. Do you think there are other ways we can make sure the Scheme is only used by people who need it?**

**Write your answer here:**

It might be possible to monitor employers who regularly make staff redundant – or who stand out as outliers for doing this on a regular basis. It is possible they could be running some kind of scam where they firstly employ connections then make them redundant after 6 months? I think it is more likely to be employers who might be colluding in some way to do this, rather than employees.

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**8. How do you think you would use the financial support from the Scheme if you lost your job?**

**Write your answer here:**

Having been in exactly this situation due to covid, I would use this financial support to either support myself and my husband, while building up my own business or else while applying for jobs. However at the time no one was employing staff, so setting up my own business was my only option. I am a woman in my mid 50s which makes it far harder to gain work, no matter what the employment market is looking like. I am highly skilled and experienced in my field of work. The only way we survived covid was by borrowing from a family member who luckily was in a situation to help us. We do now have a large debt and may never be able to own a property again, as our savings from selling a previous property were also used up during this time.



**9. Can you think of any support that is not financial that could support workers in returning to work?**

**Write your answer here:**

There is a range of things that can support workers in returning to work if they are being made redundant for reasons other than illness. Encouraging employers to hire outside the usual 20 – 45 age bracket for a start. Possibly providing subsidy of some kind to employ people made redundant? Or advice for employers around hiring a more diverse workforce.

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1. \_\_\_\_\_  
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3. \_\_\_\_\_

**10. What things should people who get the Scheme payments need to do to keep getting the payments?**

**Write your answer here:**

Tbh, as few hoops as possible. New Zealanders who have received payments via WINZ or ACC already know how incredibly painful and/or humiliating the process of proving they are still eligible to receive payments is. I believe the sole onus on the person receiving the insurance payments (which they have contributed to) is an obligation to advise ACC when they have started a new job. At that point, their payments from this scheme should cease. They should also stay eligible to receive payments in the future should that be needed. Some form of randomised monitoring could be undertaken in terms of checking against IRD PAYE records, with follow up if there is an overlap in payments.





**11. What should happen to people getting the Scheme payments if they do not do what they are meant to?**

**Write your answer here:**

They should be advised of the requirements. This is not a benefit, there should be no punitive aspect to it. People who are entitled to receive them should not have to 'earn' these payments – they are truly the customer of an insurance scheme and should be treated accordingly and with respect.

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**12. Should people be able to get support for up to 12 months if they are:**



- **training for a new career?**
- **going through rehabilitation for their health condition or disability?**



Yes

No

**Why do you think that? \_**

I think for some people, 6 months will not be enough.

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**13. Do you think the levies are worth paying the money to be able to have an Income Insurance Scheme?**



Yes

No

**Why do you think that?**

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**14. Do you think you can afford the extra money the levies will cost?**



Yes

No

**Why do you think that?**

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**15. How can we make sure the scheme follows te Tiriti o Waitangi / Treaty of Waitangi partnership?**

**Write your answer here:**

Consult specifically with Maori in an authentic way. Go to where they are – marae and other places and hui about it. Don't expect them to come to you.

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**Do you have any ideas that will be important for ACC to think about for running the Scheme?**

**Write your answer here:**

Yes, I think administering this scheme requires a new team and culture within ACC – again, all too many of existing schemes have a punitive approach which makes it extremely difficult for people to receive what they are legally entitled to, along with the respect they deserve. This is even more so for people who are disabled or ill with long term conditions such as Long Covid, CFS etc – they need to be treated with respect and understanding. The process of application should be straightforward and accessible, and applicants should not be required to physically visit an ACC office in order to apply. Verification of their illness should not be onerous and overly time consuming – keep in mind people are unwell or disabled and forcing them to travel distances via public transport, for

example, as well as paying for doctors and specialists visits etc is a large burden. Clinical staff should also be well informed about how the scheme works including entitlements and criteria and be able to easily fulfill their role in certifying people as unable to work etc.



**What do you think of the whole Scheme?**

**Write your answer here:**

I think overall it is a good idea, but as mentioned elsewhere, I don't think any aspect of the implementation of it should be used as a stick to beat people with when they are already vulnerable. Also I think it should be able to be retrospectively applied, to the beginning of the pandemic at the very least. I think it should also be considered in the light of the wider benefit system, which is hugely inadequate. A significant number of people who currently fall under Jobseeker will likely qualify instead for this scheme, so that needs to be taken into account. The question remains what happens after 6 – 12 months if the person receiving the scheme is either still not employed or still suffering from the illness that caused them to lose their job. What is next for them?





**16. Do you think New Zealand needs the Scheme?**

Yes

No

**Write your answer here:**

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## 18. What do you not like about the Scheme?

### Write your answer here:

I am concerned that it creates two classes of unemployed, one of which is receiving significantly more than the other. This is similar to the difference between people who suffer from an accidental injury that causes permanent disability, vs those who are born with a congenital disability or are disabled as a result of illness. The first of these is eligible to significant support via ACC, while the second group are not, even though many in the accidental category are injured due to their choices of recreational activity such as rugby, climbing etc. I would like to see this addressed with some urgency.

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## Where to send your answers



You can send us your answers by  
**email** to:

**[incomeinsurance@mbie.govt.nz](mailto:incomeinsurance@mbie.govt.nz)**



You can send us your answers by  
**post** to:

**Social Unemployment Insurance  
Tripartite Working Group**

**Ministry of Business, Innovation  
and Employment**

**PO Box 1473**

**Wellington 6145**



If you have any questions then you  
can send us an email at:

**[incomeinsurance@mbie.govt.nz](mailto:incomeinsurance@mbie.govt.nz)**



This information has been written by the Ministry of Business, Innovation & Employment



It has been translated into Easy Read with advice from the Make It Easy service of People First New Zealand Inc. Ngā Tāngata Tuatahi.



The ideas in this document are not the ideas of People First New Zealand Inc. Ngā Tāngata Tuatahi.



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- Sam Corliss
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